

Message Text

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PAGE 01 LIMA 02313 202321Z

17

ACTION EB-07

INFO OCT-01 ARA-06 ISO-00 CAB-02 CIAE-00 COME-00 DODE-00

DOT-00 INR-07 NSAE-00 FAA-00 SS-15 NSC-05 L-02 /045 W

----- 026972

R 202210Z MAR 75

FM AMEMBASSY LIMA

TO SECSTATE WASHDC 4401

INFO AMEMBASSY BUENOS AIRES

AMEMBASSY LA PAZ

AMEMBASSY QUITO

C O N F I D E N T I A L LIMA 2313

EO 11652: GDS

TAGS: EAIR, PE

SUBJECT: CIVAIR - DISPUTE WITH PERU - CONVERSATIONS WITH
BRANIFF REPRESENTATIVES

REF: LIMA 2300

1. AMBASSADOR AND EMBOFFS MET WITH PFLUCKER AND DEL SOLAR
OF BRANIFF ON MARCH 19. DEL SOLAR GAVE ACCOUNT OF HIS
LAST MEETING WITH DGTA BERCKEMEYER ON MARCH 14, MAKING
FOLLOWING POINTS:

A. BERCKEMEYER "INFORMALLY" SUGGESTED POSSIBILITY
THAT BRANIFF BE PERMITTED TO OPERATE 15 FLIGHTS NORTH AND
NINE SOUTH FROM LIMA, THE LATTER WITH ROUTE RESTRICTIONS,
I.E., 4 LIMA/SAO PAULO/RIO, 1 LIMA/SANTIAGO/BA,
2 LIMA/LAPAZ/ASUNCION; 1 LIMA/LA PAZ/SANTIAGO; AND
1 LIMA/LA PAZ /ASUNCION. NO VARIATION WOULD BE PERMITTED
IN THIS ROUTE PATTERN. PERUVIANS ALSO WANTED COMPEN-
SATION (THEY KEPT SAYING 20 PERCENT), RIGHTS IN NEW
YORK, AND CREW TRAINING. ONLY ENCOURAGEING ELEMENT IN
PACKAGE, AND ABOUT THE ONLY CONCESSION, IS ACCEPTANCE
BY PERU OF CONCEPT OF RRANSIT STOPOVERS, COUNTING ONLY
TICKETS SOLD IN LIMA AS 5TH FREEDOM TRAFFIC.

CONFIDENTIAL

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PAGE 02 LIMA 02313 202321Z

B. DEL SOLAR SAID HE RESPONDED BY TELLING BERCKEMEYER

THAT WHAT LATTER SUGGESTED WAS IN MANY RESPECTS WORSE THAN AEROPERU'S FEBRUARY 17 PROPOSAL, A SUMMARY OF WHICH, HE NOTED, HAD BEEN TRANSMITTED TO THE DEPARTMENT BY THE PERUVIAN EMBASSY IN WASHINGTON. ACCORDING TO DEL SOLAR, BERCKEMEYER THEN AFFECTED GREAT SURPRISE, SAID HE WAS UNAWARE OF ANY SUCH COMMUNICATIONS WITH DEPARTMENT OF STATE OF WHICH HE SHOULD HAVE BEEN INFORMED, AND SAID HE WAS UNFAMILIAR WITH AEROPERU PROPOSAL WHICH AEROPERU OUGHT TO HAVE COORDINATED WITH DGTA. DEL SOLAR SAID HE SHOWED BERCKEMEYER AEROPERU'S PROPOSAL (WHICH IS SAME DOCUMENT EMBOFFS SHOWED BERCKEMEYER MARCH 18 - LIMA 2236 AND TRANSLATION OF WHICH WAS PERUVIAN EMBASSY PAPER GIVEN DEPARTMENT MARCH 4). AND GAVE HIM A COPY.

C. DEL SOLAR THEN SUGGESTED THAT HE THOUGHT FORMULA ACCEPTABLE TO BRANIFF MIGHT INCLUDE SCHEDULE BRANIFF WAS OPERATING AS OF JANUARY 31 WITH EXCEPTION THAT BRANIFF WOULD FLY ONLY SEVEN TIMES TO MIAMI (SINCE THIS NUMBER SEEMS TO HAVE SOME POLITICAL SIGNIFICANCE FOR GOP). DEL SOLAR ALSO HINTED DELICATELY OF POSSIBILITY OF SOME REDUCTIONS ON FREQUENCIES TO SOUTH AND SUGGESTED POSSIBILITY OF COMPENSATION ON COMPETITIVE ROUTES (I.E., BA/SANTIAGO).

2. DEL SOLAR , WHO ONLY RECENTLY RETURNED FROM DALLAS, SAID HE TRIED FIVE TIMES ON FEBRUARY 19 TO REACH BERCKEMEYER TO CONTINUE CONVERSATIONS, BUT WITHOUT SUCCESS. HE SAID BRANIFF PRINCIPALS BELIEVE THAT MOST PROPITIOUS TIME FOR NEGOTIATION IS NEXT FEW DAYS BEFORE PART 213 RESTRICTIONS BECOME PUBLIC AND THAT EXECUTIVE VICE PRESIDENT THAYER (WHO IS APPARENTLY NOT INVOLVED IN BRANIFF'S ILLEGAL FUND PROBLEM) IS READY TO COME TO LIMA AT MOMENT'S NOTICE FOR THIS PURPOSE. AMBASSADOR SUGGESTED THAT HE THOUGHT WORKING LEVEL MIGHT FIND IT DIFFICULT TO MOVE BEFORE MINISTERIAL MEETING CALLED TO DISCUSS PROBLEM TAKES PLACE ON MONDAY (MARCH 24). (NOTE: AS NEARLY AS WE CAN CONSTRUCT IT, COMPOSITION OF THIS MEETING WILL BE PRIME MINISTER MORALES MERMUDEZ, AIR MINISTER GILARDI, TRANSPORT MINISTER MENENESES, INDUSTRY AND TOURISM MINISTER CONFIDENTIAL

CONFIDENTIAL

PAGE 03 LIMA 02313 202321Z

JIMENEZ DE LUCIO, COAP PRESIDENT GRAHAM, AND POSSIBLY FOREIGN MINISTER DE LA FLOR AND AEROPERU PRESIDENT SOTO.)

3. DEL SOLAR SUBSEQUENTLY INFORMED EMBOFF THAT HE FINALLY SUCCEEEDED IN REACHING BERCKEMEYER BY TELEPHONE MARCH 20 AND HAD LONG CONVERSATION. DGTA SAID HE SAW LITTLE TO BE GAINED FROM CONTINUING CONVERSATIONS

SINCE MATTER WAS NOW A HIGH LEVEL AND THERE WAS NOTHING MORE HE COULD DO. HE WAS DISAPPOINTED SINCE HE AGREED WITH DEL SOLAR'S OBSERVATION THAT BEST CHANCE OF REACHING AGREEMENT LAY WITH THEM. HE ADDED THAT PART 213 ACTION WILL COMPLICATE MATTER AND HE SAW NO SOLUTION. DEL SOLAR REPLIED THAT THEY STILL HAD TEN DAYS AND USG WOULD NOT ACT IF IT WAS AWARE OF AGREEMENT OR SUBSTANTIAL PROGRESS TOWARD ONE. ON THE OTHER HAND, IF NOTHING HAPPENS, THERE WILL BE A POLITICAL PROBLEM AND POSSIBLY CONFRONTATION, WHICH NO ONE WANTS. LOTS CAN BE DONE IN REMAINING WEEK. PROPOSAL DEL SOLAR HAD MADE ON MARCH 14 (PARAGRAPH 1 C ABOVE) MIGHT BE FOUND TO BE NOT TOO FAR FROM AEROPERU'S FEBRUARY 17 PROPOSAL. BERCKEMEYER THEN ASKED DEL SOLAR TO BRING HIM SUMMARY OF VARIOUS AEROPERU PROPOSALS FOR SUTDY, AGREED THAT CONFRONTATION SHOULD BE AVOIDED, AND ADDED GRUDGINGLY THAT PERHAPS THERE MIGHT BE SOME UTILITY IN FURTHER TALKS WITH DEL SOLAR.

4. COMMENT: WE ARE NOT SURE WHERE ALL OF FOREGOING LEAVES US EXCEPT THAT IT IS OBVIOUS THAT SITUATION HAS BECOME MORE FLUID. (WE ARE ALSO AT A LOSS TO UNDERSTAND BERCKEMEYER'S PROTESTS TO EMBOFFS THAT HE WAS UNAWARE OF AEROPERU'S FEBRUARY 17 PROPOSAL OR ITS COMMUNICATION TO DEPARTMENT VIA PERUVIAN EMBASSY VYHEN HE HAD DISCUSSED THIS VERY MATTER WITH DEL SOLAR ONLY FOUR DAYS BEFORE. HOWEVER, MATTER IS PROBABLY BEST LEFT AS YET ANOTHER MYSTERIOUSLY INEXPLICABLE ACTION ON PART OF GOP OFFICIALDOM.) WE HAVE NO INSIGHT WHETHER REASON OR "REVOLUTIONARY" THINKING WILL EVENTUALLY PREVAIL WITHIN GOP, BUT WILL CONTINUE OUR EFFORTS TO NUDGE MATTER IN PROPER DIECTION. AS PREVIOUSLY REPORTED, AMBASSADOR IS SCHEDULED TO HAVE OPPORTUNITY DISCUSS MATTER AT LENGTH WITH AIR
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PAGE 04 LIMA 02313 202321Z

MINISTER GILARDI ON MARCH 21 AND INTENDS TO PROVIDE HIM WITH USEFUL BACKGROUND MATERIAL IN PREPARATION FOR MONDAY'S MINISTERIAL MEETING.
DEAN

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NNN

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